

AMENDED IN ASSEMBLY APRIL 20, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1754**

**Introduced by Committee on Housing and Community Development (Mullin (Chair), Garcia (Vice Chair), Baca, Hancock, La Suer, Salinas, and Torrico)**

March 14, 2005

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An act to amend Section 1365 of the Civil Code, to amend Sections 1091 and 1091.5 of the Government Code, and to amend Sections 50905 and 51350 of the Health and Safety Code, relating to ~~the California Housing Finance Agency~~ housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1754, as amended, Committee on Housing and Community Development. ~~California Housing Finance Agency. Housing.~~

~~Under~~

(1) Existing law governing common interest developments requires the association to prepare and distribute to all of its members certain documents, including a report on reserve calculations.

This bill would make a change in this requirement.

(2) Existing law that prohibits public officials from having a financial interest in contracts made by the agency that they serve, provides that a public officer is deemed not to be interested in a contract entered into by a body or board of which the officer is a member if the officer has only a remote interest in the contract and if the fact of that interest is disclosed to the body or board of which the officer is a member and noted in its official records, and thereafter the body or board authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer or member with the remote

interest. Existing law defines “remote interest” for purposes of this provision.

Existing law establishes the California Housing Finance Agency within the Business, Transportation and Housing Agency, which is governed by a board of directors with 11 voting members, to administer specified housing finance programs.

This bill would include in the definition of “remote interest” the interest of a member of the board of directors of the California Housing Finance Agency in a loan or other financial assistance to a housing sponsor if the member is employed by or holds any paid official relation to the housing sponsor or if the member or a firm employing the member has acted as an attorney for the housing sponsor or has provided financial, tax, real estate, or other professional advice to the housing sponsor.

(3) Existing law, for purposes of avoiding conflicts of interests, provides that a public officer or employee is deemed not to be interested in a contract if his or her interest is one that is specified in the law.

This bill would specify that an officer, employee, or member of the board of directors of the California Housing Finance Agency would not be deemed to be interested in a contract involving in a loan product or program if the officer, employee, or member participated in the planning, discussions, development, or approval of the loan product or program, the loan product or program is or may be originated by lenders approved by the agency, and the loan product or program is generally available to qualifying borrowers on terms and conditions that are substantially the same for all qualifying borrowers at the time the loan is made.

(4) Under existing law, no officer or employee of the California Housing Finance Agency may be employed by, hold any paid official relation to, or have any financial interest in, any housing sponsor or any housing development financed or assisted under these provisions. A violation of this provision constitutes grounds for disqualification of a member from the board of directors or the officer or employer of the agency from his or her office or employment with the board or agency.

This bill would provide that this restriction does not apply to a member of the board who is not an employee of the agency.

(5) Under existing law, the California Housing Finance Agency has, as its primary purpose, meeting the housing needs of persons and

families of low or moderate income. Existing law authorizes the agency to issue bonds in the principal amount that the agency determines necessary to provide sufficient funds for financing housing developments and other residential structures, the payment of interest on bonds of the agency, the establishment of reserves, and other expenditures of the agency incident to issuance of the bonds.

This bill would authorize the agency to issue bonds for the purpose of making loans to local public entities, and for the purposes of the agency, pursuant to specified provisions of existing law.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 1365 of the Civil Code is amended to  
2     read:

3     1365. Unless the governing documents impose more stringent  
4     standards, the association shall prepare and distribute to all of its  
5     members the following documents:

6     (a) A pro forma operating budget, which shall include all of  
7     the following:

8         (1) The estimated revenue and expenses on an accrual basis.

9         (2) A summary of the association's reserves based upon the  
10     most recent review or study conducted pursuant to Section  
11     1365.5, based only on assets held in cash or cash equivalents,  
12     which shall be printed in boldface type and include all of the  
13     following:

14         (A) The current estimated replacement cost, estimated  
15     remaining life, and estimated useful life of each major  
16     component.

17         (B) As of the end of the fiscal year for which the study is  
18     prepared:

19             (i) The current estimate of the amount of cash reserves  
20     necessary to repair, replace, restore, or maintain the major  
21     components.

22             (ii) The current amount of accumulated cash reserves actually  
23     set aside to repair, replace, restore, or maintain major  
24     components.

25             (iii) If applicable, the amount of funds received from either a  
26     compensatory damage award or settlement to an association from

1 any person or entity for injuries to property, real or personal,  
2 arising out of any construction or design defects, and the  
3 expenditure or disposition of funds, including the amounts  
4 expended for the direct and indirect costs of repair of  
5 construction or design defects. These amounts shall be reported  
6 at the end of the fiscal year for which the study is prepared as  
7 separate line items under cash reserves pursuant to clause (ii). ~~In~~  
8 ~~lieu~~ *Instead* of complying with the requirements set forth in this  
9 clause, an association that is obligated to issue a review of their  
10 financial statement pursuant to subdivision (b) may include in the  
11 review a statement containing all of the information required by  
12 this clause.

13 (C) The percentage that the amount determined for purposes  
14 of clause (ii) of subparagraph (B) equals the amount determined  
15 for purposes of clause (i) of subparagraph (B).

16 (3) A statement as to both of the following:

17 (A) Whether the board of directors of the association has  
18 determined or anticipates that the levy of one or more special  
19 assessments will be required to repair, replace, or restore any  
20 major component or to provide adequate reserves therefor. If so,  
21 the statement shall also set out the estimated amount,  
22 commencement date, and duration of the assessment.

23 (B) The mechanism or mechanisms by which the board of  
24 directors will fund reserves to repair or replace major  
25 components, including assessments, borrowing, use of other  
26 assets, deferral of selected replacement or repairs, or alternative  
27 mechanisms.

28 (4) A general statement addressing the procedures used for the  
29 calculation and establishment of those reserves to defray the  
30 future repair, replacement, or additions to those major  
31 components that the association is obligated to maintain. The  
32 report shall include, but need not be limited to, reserve  
33 calculations made using the formula described in paragraph (4)  
34 of subdivision (b) of Section 1365.2.5, and may not assume a rate  
35 of return on cash reserves in excess of 2 percent above the  
36 ~~rediscount~~ *discount* rate published by the Federal Reserve Bank  
37 of San Francisco at the time the calculation was made.

38 The summary of the association's reserves disclosed pursuant  
39 to paragraph (2) shall not be admissible in evidence to show  
40 improper financial management of an association, provided that

1 other relevant and competent evidence of the financial condition  
2 of the association is not made inadmissible by this provision.

3 Notwithstanding a contrary provision in the governing  
4 documents, a copy of the operating budget shall be annually  
5 distributed not less than 30 days nor more than 90 days prior to  
6 the beginning of the association's fiscal year.

7 (b) A review of the financial statement of the association shall  
8 be prepared in accordance with generally accepted accounting  
9 principles by a licensee of the California Board of Accountancy  
10 for any fiscal year in which the gross income to the association  
11 exceeds seventy-five thousand dollars (\$75,000). A copy of the  
12 review of the financial statement shall be distributed within 120  
13 days after the close of each fiscal year.

14 (c) ~~In lieu~~ *Instead* of the distribution of the pro forma  
15 operating budget required by subdivision (a), the board of  
16 directors may elect to distribute a summary of the pro forma  
17 operating budget to all of its members with a written notice that  
18 the pro forma operating budget is available at the business office  
19 of the association or at another suitable location within the  
20 boundaries of the development, and that copies will be provided  
21 upon request and at the expense of the association. If any  
22 member requests that a copy of the pro forma operating budget  
23 required by subdivision (a) be mailed to the member, the  
24 association shall provide the copy to the member by first-class  
25 United States mail at the expense of the association and delivered  
26 within five days. The written notice that is distributed to each of  
27 the association members shall be in at least 10-point boldface  
28 type on the front page of the summary of the budget.

29 (d) A statement describing the association's policies and  
30 practices in enforcing lien rights or other legal remedies for  
31 default in payment of its assessments against its members shall  
32 be annually delivered to the members not less than 30 days nor  
33 more than 90 days immediately preceding the beginning of the  
34 association's fiscal year.

35 (e) (1) A summary of the association's property, general  
36 liability, earthquake, flood, and fidelity insurance policies, which  
37 shall be distributed not less than 30 days nor more than 90 days  
38 preceding the beginning of the association's fiscal year, that  
39 includes all of the following information about each policy:

40 (A) The name of the insurer.

1 (B) The type of insurance.

2 (C) The policy limits of the insurance.

3 (D) The amount of deductibles, if any.

4 (2) The association shall, as soon as reasonably practicable,  
5 notify its members by first-class mail if any of the policies  
6 described in paragraph (1) have lapsed, been canceled, and are  
7 not immediately renewed, restored, or replaced, or if there is a  
8 significant change, such as a reduction in coverage or limits or an  
9 increase in the deductible, as to any of those policies. If the  
10 association receives any notice of nonrenewal of a policy  
11 described in paragraph (1), the association shall immediately  
12 notify its members if replacement coverage will not be in effect  
13 by the date the existing coverage will lapse.

14 (3) To the extent that any of the information required to be  
15 disclosed pursuant to paragraph (1) is specified in the insurance  
16 policy declaration page, the association may meet its obligation  
17 to disclose that information by making copies of that page and  
18 distributing it to all of its members.

19 (4) The summary distributed pursuant to paragraph (1) shall  
20 contain, in at least 10-point boldface type, the following  
21 statement: "This summary of the association's policies of  
22 insurance provides only certain information, as required by  
23 subdivision (e) of Section 1365 of the Civil Code, and should not  
24 be considered a substitute for the complete policy terms and  
25 conditions contained in the actual policies of insurance. Any  
26 association member may, upon request and provision of  
27 reasonable notice, review the association's insurance policies  
28 and, upon request and payment of reasonable duplication  
29 charges, obtain copies of those policies. Although the association  
30 maintains the policies of insurance specified in this summary, the  
31 association's policies of insurance may not cover your property,  
32 including personal property or, real property improvements to or  
33 around your dwelling, or personal injuries or other losses that  
34 occur within or around your dwelling. Even if a loss is covered,  
35 you may nevertheless be responsible for paying all or a portion of  
36 any deductible that applies. Association members should consult  
37 with their individual insurance broker or agent for appropriate  
38 additional coverage."

39 *SEC. 2. Section 1091 of the Government Code is amended to*  
40 *read:*

1091. (a) An officer shall not be deemed to be interested in a contract entered into by a body or board of which the officer is a member within the meaning of this article if the officer has only a remote interest in the contract and if the fact of that interest is disclosed to the body or board of which the officer is a member and noted in its official records, and thereafter the body or board authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer or member with the remote interest.

(b) As used in this article, “remote interest” means any of the following:

(1) That of an officer or employee of a nonprofit entity exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)) or a nonprofit corporation, except as provided in paragraph (8) of subdivision (a) of Section 1091.5.

(2) That of an employee or agent of the contracting party, if the contracting party has 10 or more other employees and if the officer was an employee or agent of that contracting party for at least three years prior to the officer initially accepting his or her office and the officer owns less than 3 percent of the shares of stock of the contracting party; and the employee or agent is not an officer or director of the contracting party and did not directly participate in formulating the bid of the contracting party.

For purposes of this paragraph, time of employment with the contracting party by the officer shall be counted in computing the three-year period specified in this paragraph even though the contracting party has been converted from one form of business organization to a different form of business organization within three years of the initial taking of office by the officer. Time of employment in that case shall be counted only if, after the transfer or change in organization, the real or ultimate ownership of the contracting party is the same or substantially similar to that which existed before the transfer or change in organization. For purposes of this paragraph, stockholders, bondholders, partners, or other persons holding an interest in the contracting party are regarded as having the “real or ultimate ownership” of the contracting party.

1 (3) That of an employee or agent of the contracting party, if all  
2 of the following conditions are met:

3 (A) The agency of which the person is an officer is a local  
4 public agency located in a county with a population of less than  
5 4,000,000.

6 (B) The contract is competitively bid and is not for personal  
7 services.

8 (C) The employee or agent is not in a primary management  
9 capacity with the contracting party, is not an officer or director of  
10 the contracting party, and holds no ownership interest in the  
11 contracting party.

12 (D) The contracting party has 10 or more other employees.

13 (E) The employee or agent did not directly participate in  
14 formulating the bid of the contracting party.

15 (F) The contracting party is the lowest responsible bidder.

16 (4) That of a parent in the earnings of his or her minor child  
17 for personal services.

18 (5) That of a landlord or tenant of the contracting party.

19 (6) That of an attorney of the contracting party or that of an  
20 owner, officer, employee, or agent of a firm that renders, or has  
21 rendered, service to the contracting party in the capacity of  
22 stockbroker, insurance agent, insurance broker, real estate agent,  
23 or real estate broker, if these individuals have not received and  
24 will not receive remuneration, consideration, or a commission as  
25 a result of the contract and if these individuals have an ownership  
26 interest of 10 percent or more in the law practice or firm, stock  
27 brokerage firm, insurance firm, or real estate firm.

28 (7) That of a member of a nonprofit corporation formed under  
29 the Food and Agricultural Code or a nonprofit corporation  
30 formed under the Corporations Code for the sole purpose of  
31 engaging in the merchandising of agricultural products or the  
32 supplying of water.

33 (8) That of a supplier of goods or services when those goods  
34 or services have been supplied to the contracting party by the  
35 officer for at least five years prior to his or her election or  
36 appointment to office.

37 (9) That of a person subject to the provisions of Section 1090  
38 in any contract or agreement entered into pursuant to the  
39 provisions of the California Land Conservation Act of 1965.



1 (10) Except as provided in subdivision (b) of Section 1091.5,  
2 that of a director of or a person having an ownership interest of  
3 10 percent or more in a bank, bank holding company, or savings  
4 and loan association with which a party to the contract has a  
5 relationship of borrower or depositor, debtor or creditor.

6 (11) That of an engineer, geologist, or architect employed by a  
7 consulting engineering or architectural firm. This paragraph  
8 applies only to an employee of a consulting firm who does not  
9 serve in a primary management capacity, and does not apply to  
10 an officer or director of a consulting firm.

11 (12) That of an elected officer otherwise subject to Section  
12 1090, in any housing assistance payment contract entered into  
13 pursuant to Section 8 of the United States Housing Act of 1937  
14 (42 U.S.C. Sec. 1437f) as amended, provided that the housing  
15 assistance payment contract was in existence before Section 1090  
16 became applicable to the officer and will be renewed or extended  
17 only as to the existing tenant, or, in a jurisdiction in which the  
18 rental vacancy rate is less than 5 percent, as to new tenants in a  
19 unit previously under a Section 8 contract. This section applies to  
20 any person who became a public official on or after November 1,  
21 1986.

22 (13) That of a person receiving salary, per diem, or  
23 reimbursement for expenses from a government entity.

24 (14) That of a person owning less than 3 percent of the shares  
25 of a contracting party that is a for-profit corporation, provided  
26 that the ownership of the shares derived from the person's  
27 employment with that corporation.

28 (15) *That of a member of the Board of Directors of the*  
29 *California Housing Finance Agency in a loan or other financial*  
30 *assistance to a housing sponsor if either of the following*  
31 *conditions exist:*

32 (A) *The member is employed by or holds any paid official*  
33 *relation to the housing sponsor.*

34 (B) *The member or a firm employing the member has acted as*  
35 *an attorney for the housing sponsor or has provided financial,*  
36 *tax, real estate, or other professional advice to the housing*  
37 *sponsor.*

38 (c) This section is not applicable to any officer interested in a  
39 contract who influences or attempts to influence another member

1 of the body or board of which he or she is a member to enter into  
2 the contract.

3 (d) The willful failure of an officer to disclose the fact of his  
4 or her interest in a contract pursuant to this section is punishable  
5 as provided in Section 1097. That violation does not void the  
6 contract unless the contracting party had knowledge of the fact of  
7 the remote interest of the officer at the time the contract was  
8 executed.

9 *SEC. 3. Section 1091.5 of the Government Code is amended*  
10 *to read:*

11 1091.5. (a) An officer or employee shall not be deemed to be  
12 interested in a contract if his or her interest is any of the  
13 following:

14 (1) The ownership of less than 3 percent of the shares of a  
15 corporation for profit, provided that the total annual income to  
16 him or her from dividends, including the value of stock  
17 dividends, from the corporation does not exceed 5 percent of his  
18 or her total annual income, and any other payments made to him  
19 or her by the corporation do not exceed 5 percent of his or her  
20 total annual income.

21 (2) That of an officer in being reimbursed for his or her actual  
22 and necessary expenses incurred in the performance of official  
23 duty.

24 (3) That of a recipient of public services generally provided by  
25 the public body or board of which he or she is a member, on the  
26 same terms and conditions as if he or she were not a member of  
27 the board.

28 (4) That of a landlord or tenant of the contracting party if the  
29 contracting party is the federal government or any federal  
30 department or agency, this state or an adjoining state, any  
31 department or agency of this state or an adjoining state, any  
32 county or city of this state or an adjoining state, or any public  
33 corporation or special, judicial, or other public district of this  
34 state or an adjoining state unless the subject matter of the  
35 contract is the property in which the officer or employee has the  
36 interest as landlord or tenant in which event his or her interest  
37 shall be deemed a remote interest within the meaning of, and  
38 subject to, the provisions of Section 1091.

39 (5) That of a tenant in a public housing authority created  
40 pursuant to Part 2 (commencing with Section 34200) of Division

1 24 of the Health and Safety Code in which he or she serves as a  
2 member of the board of commissioners of the authority or of a  
3 community development commission created pursuant to Part 1.7  
4 (commencing with Section 34100) of Division 24 of the Health  
5 and Safety Code.

6 (6) That of a spouse of an officer or employee of a public  
7 agency in his or her spouse's employment or officeholding if his  
8 or her spouse's employment or officeholding has existed for at  
9 least one year prior to his or her election or appointment.

10 (7) That of a nonsalaried member of a nonprofit corporation,  
11 provided that this interest is disclosed to the body or board at the  
12 time of the first consideration of the contract, and provided  
13 further that this interest is noted in its official records.

14 (8) That of a noncompensated officer of a nonprofit,  
15 tax-exempt corporation, which, as one of its primary purposes,  
16 supports the functions of the body or board or to which the body  
17 or board has a legal obligation to give particular consideration,  
18 and provided further that this interest is noted in its official  
19 records.

20 For purposes of this paragraph, an officer is "noncompensated"  
21 even though he or she receives reimbursement from the  
22 nonprofit, tax-exempt corporation for necessary travel and other  
23 actual expenses incurred in performing duties of his or her office.

24 (9) That of a person receiving salary, per diem, or  
25 reimbursement for expenses from a government entity, unless the  
26 contract directly involves the department of the government  
27 entity that employs the officer or employee, provided that the  
28 interest is disclosed to the body or board at the time of  
29 consideration of the contract, and provided further that the  
30 interest is noted in its official record.

31 (10) That of an attorney of the contracting party or that of an  
32 owner, officer, employee, or agent of a firm which renders, or  
33 has rendered, service to the contracting party in the capacity of  
34 stockbroker, insurance agent, insurance broker, real estate agent,  
35 or real estate broker, if these individuals have not received and  
36 will not receive remuneration, consideration, or a commission as  
37 a result of the contract and if these individuals have an ownership  
38 interest of less than 10 percent in the law practice or firm, stock  
39 brokerage firm, insurance firm, or real estate firm.

1 (11) Except as provided in subdivision (b), that of an officer or  
2 employee of or a person having less than a 10-percent ownership  
3 interest in a bank, bank holding company, or savings and loan  
4 association with which a party to the contract has a relationship  
5 of borrower or depositor, debtor, or creditor.

6 (12) That of (A) a bona fide nonprofit, tax-exempt corporation  
7 having among its primary purposes the conservation,  
8 preservation, or restoration of park and natural lands or historical  
9 resources for public benefit, which corporation enters into an  
10 agreement with a public agency to provide services related to  
11 park and natural lands or historical resources and which services  
12 are found by the public agency, prior to entering into the  
13 agreement or as part of the agreement, to be necessary to the  
14 public interest to plan for, acquire, protect, conserve, improve, or  
15 restore park and natural lands or historical resources for public  
16 purposes and (B) any officer, director, or employee acting  
17 pursuant to the agreement on behalf of the nonprofit corporation.  
18 For purposes of this paragraph, “agreement” includes contracts  
19 and grants, and “park,” “natural lands,” and “historical  
20 resources” shall have the meanings set forth in subdivisions (d),  
21 (g), and (i) of Section 5902 of the Public Resources Code.  
22 Services to be provided to the public agency may include those  
23 studies and related services, acquisitions of property and property  
24 interests, and any activities related to those studies and  
25 acquisitions necessary for the conservation, preservation,  
26 improvement, or restoration of park and natural lands or  
27 historical resources.

28 *(13) That of an officer, employee, or member of the Board of*  
29 *Directors of the California Housing Finance Agency in a loan*  
30 *product or programs if the officer, employee, or member*  
31 *participated in the planning, discussions, development, or*  
32 *approval of the loan product or program and both of the*  
33 *following two conditions exists:*

34 *(A) The loan product or program is or may be originated by*  
35 *lenders approved by the agency.*

36 *(B) The loan product or program is generally available to*  
37 *qualifying borrowers on terms and conditions that are*  
38 *substantially the same for all qualifying borrowers at the time the*  
39 *loan is made.*

1 (b) An officer or employee shall not be deemed to be  
2 interested in a contract made pursuant to competitive bidding  
3 under a procedure established by law if his or her sole interest is  
4 that of an officer, director, or employee of a bank or savings and  
5 loan association with which a party to the contract has the  
6 relationship of borrower or depositor, debtor or creditor.

7 *SEC. 4. Section 50905 of the Health and Safety Code is*  
8 *amended to read:*

9 50905. (a) No officer or employee of the agency shall be  
10 employed by, hold any paid official relation to, or have any  
11 financial interest in, any housing sponsor or any housing  
12 development financed or assisted under this part. *However, this*  
13 *restriction shall not apply to a member of the board who is not*  
14 *an employee of the agency.* No real property to which a member  
15 of the board or an officer or employee of the agency holds legal  
16 title or in which the person has any financial interest shall be  
17 purchased by the agency or sold by the member of the board or  
18 officer or employee of the agency to a housing sponsor for a  
19 housing development to be financed under this part.

20 Any violation of this section shall be a conflict of interest  
21 ~~which~~ *that* shall be grounds for disqualification of the member  
22 from the board or the officer or employee of the agency from his  
23 or her office or employment with the board or agency.

24 (b) Except as provided by subdivision (c), the following  
25 actions shall be voidable in the discretion of the agency:

26 (1) Any purchase by the agency of real property in which a  
27 member of the board or an officer or employee of the agency has  
28 legal title or a financial interest.

29 (2) Any commitment by the agency to provide financial  
30 assistance to a housing sponsor in which a member of the board  
31 or officer or employee of the agency is employed, holds any  
32 official relation, or has any financial interest.

33 (3) Any commitment by the agency to provide financial  
34 assistance to a housing sponsor to which real property has been  
35 or is transferred for a housing development to be financed under  
36 this part, if a member of the board or officer or employee of the  
37 agency has or has had legal title or any financial interest in the  
38 real property.

39 (c) Any commitment by the agency to provide financial  
40 assistance under the circumstances specified in paragraph (2) or

(3) of subdivision (b) shall not be voidable following release of the funds.

(d) Notwithstanding the provisions of this section and Section 50904, any conflict of interest by a member of the board or officer or employee of the agency shall not affect the validity of any bonds or insurance issued pursuant to this division.

(e) Notwithstanding the provisions of this section, agency employees, board members, and officers may, if not acting as an investor and if otherwise eligible, participate in owner-occupied single-family financing and insurance programs operated by the agency.

~~SECTION 1.~~

*SEC. 5.* Section 51350 of the Health and Safety Code is amended to read:

51350. (a) The agency may, from time to time, issue its bonds in the principal amount that the agency determines necessary to provide sufficient funds for financing housing developments and other residential structures, the payment of interest on bonds of the agency, the establishment of reserves to secure the bonds, the payment of other expenditures of the agency incident to, and necessary or convenient to, issuance of the bonds, and for the other purposes provided by Sections 51065.5 and 51365.

(b) (1) Sale of the bonds of the agency shall be coordinated by the Treasurer. To obtain a date for the sale of bonds, the agency shall inform the Treasurer of the amount of the proposed issue. Upon that notification, the Treasurer shall provide three 10-day periods, within the 90 days next following, when the bonds can be sold. The agency may choose any date during the suggested periods or any other date to which the agency and the Treasurer have mutually agreed. The Treasurer shall sell the bonds on the date chosen according to terms approved by the agency.

(2) The agency shall exercise its powers with due regard for the right of the holders of bonds of the agency at any time outstanding, and nothing in, or done pursuant to, this section shall in any way limit, restrict, or alter the obligation or powers of the agency or any member, officer, or representative of the agency or the Treasurer to carry out and perform in every detail each and every covenant, agreement, or contract at any time

1 made or entered into on behalf of the agency with respect to its  
2 bonds or its benefits, or the security of the holders of the bonds.

3 (c) Except as provided in subdivisions (d) to (h), inclusive, the  
4 aggregate principal amount of bonds that may be outstanding at  
5 any time pursuant to this part shall not exceed seven hundred  
6 fifty million dollars (\$750,000,000), exclusive of the principal  
7 indebtedness of bonds issued to refund or renew previously  
8 issued bonds of the agency, to the extent of the outstanding  
9 principal indebtedness of the previously issued bonds and any  
10 redemption premium thereon and any interest accrued or to  
11 accrue to the date of redemption of the bonds, during the period  
12 in which both the previously issued bonds and the refunding or  
13 renewal bonds are outstanding.

14 (d) Effective January 1, 1980, the aggregate principal amount  
15 of bonds that may be outstanding at any time pursuant to this part  
16 shall be increased by seven hundred fifty million dollars  
17 (\$750,000,000), exclusive of (1) bonds previously authorized  
18 pursuant to subdivision (c), and (2) the principal indebtedness of  
19 bonds issued to refund or renew bonds of the agency previously  
20 issued under the authority of this subdivision, but only to the  
21 extent of the outstanding principal indebtedness of the previously  
22 issued bonds and any redemption premium thereon and any  
23 interest accrued or to accrue to the date of redemption of the  
24 bonds, during the period in which both the previously issued  
25 bonds and the refunding or renewal bonds are outstanding.

26 (e) Effective January 1, 1983, the aggregate principal amount  
27 of bonds that may be outstanding at any time pursuant to this part  
28 shall be additionally increased by three hundred fifty million  
29 dollars (\$350,000,000) exclusive of (1) bonds previously  
30 authorized pursuant to subdivision (c) or (d), and (2) the principal  
31 indebtedness of bonds issued to refund or renew bonds of the  
32 agency previously issued under the authority of this subdivision,  
33 but only to the extent of the outstanding principal indebtedness of  
34 the previously issued bonds and any redemption premium  
35 thereon and any interest accrued or to accrue to the date of the  
36 redemption of the bonds, during the period in which both the  
37 previously issued bonds and the refunding or renewal bonds are  
38 outstanding.

39 (f) Effective January 1, 1984, the aggregate principal amount  
40 of bonds that may be outstanding at any time pursuant to this part

1 shall be additionally increased by five hundred million dollars  
2 (\$500,000,000), exclusive of (1) bonds previously authorized  
3 pursuant to any of subdivisions (c) to (e), inclusive, and (2) the  
4 principal indebtedness of bonds issued to refund or renew bonds  
5 of the agency previously issued under the authority of this  
6 subdivision, but only to the extent of the outstanding principal  
7 indebtedness of the previously issued bonds and any redemption  
8 premium thereon and any interest accrued or to accrue to the date  
9 of the redemption of the bonds, during the period in which both  
10 the previously issued bonds and the refunding or renewal bonds  
11 are outstanding.

12 (g) On the effective date of the amendments to this section  
13 enacted by the Statutes of 1985, the aggregate principal amount  
14 of bonds that may be outstanding at any time pursuant to this part  
15 shall be additionally increased by six hundred million dollars  
16 (\$600,000,000), exclusive of (1) bonds previously authorized  
17 pursuant to any of subdivisions (c) to (f), inclusive, and (2) the  
18 principal indebtedness of bonds issued to refund or renew bonds  
19 of the agency previously issued under the authority of this  
20 subdivision, but only to the extent of the outstanding principal  
21 indebtedness of the previously issued bonds and any redemption  
22 premium thereon and any interest accrued or to accrue to the date  
23 of the redemption of the bonds, during the period in which both  
24 the previously issued bonds and the refunding or renewal bonds  
25 are outstanding.

26 (h) On the effective date of the amendments to this section  
27 enacted by the Statutes of 1985, the aggregate principal amount  
28 of bonds that may be outstanding at any time pursuant to this part  
29 shall be additionally increased by six hundred million dollars  
30 (\$600,000,000), exclusive of (1) bonds previously authorized  
31 pursuant to subdivision any of subdivisions (c) to (g), inclusive,  
32 and (2) the principal indebtedness of bonds issued to refund or  
33 renew bonds of the agency previously issued under the authority  
34 of this subdivision, but only to the extent of the outstanding  
35 principal indebtedness of the previously issued bonds and any  
36 redemption premium thereon and any interest accrued or to  
37 accrue to the date of the redemption of the bonds, during the  
38 period in which both the previously issued bonds and the  
39 refunding or renewal bonds are outstanding.



1 (i) Effective September 4, 1990, the aggregate principal  
2 amount of bonds that may be outstanding at any one time  
3 pursuant to this part shall be additionally increased by nine  
4 hundred million dollars (\$900,000,000), exclusive of the  
5 following: (1) bonds previously authorized pursuant to any of  
6 subdivisions (c) to (h), inclusive, and (2) the principal  
7 indebtedness of bonds issued to refund or renew bonds of the  
8 agency previously issued under the authority of this subdivision,  
9 but only to the extent of the outstanding principal indebtedness of  
10 the previously issued bonds and any redemption premium  
11 thereon and any interest accrued or to accrue to the date of the  
12 redemption of the bonds, during the period in which both the  
13 previously issued bonds and the refunding or renewal bonds are  
14 outstanding.

15 (j) On the effective date of the amendments to this section  
16 which added this subdivision, the aggregate principal amount of  
17 bonds that may be outstanding at any one time pursuant to this  
18 part shall be additionally increased by nine hundred million  
19 dollars (\$900,000,000), exclusive of the following: (1) bonds  
20 previously authorized pursuant to any of subdivisions (c) to (i),  
21 inclusive, and (2) the principal indebtedness of bonds issued to  
22 refund or renew bonds of the agency previously issued under the  
23 authority of this subdivision, but only to the extent of the  
24 outstanding principal indebtedness of the previously issued bonds  
25 and any redemption premium thereon and any interest accrued or  
26 to accrue to the date of the redemption of the bonds, during the  
27 period in which both the previously issued bonds and the  
28 refunding or renewal bonds are outstanding.

29 (k) Effective January 1, 1998, the aggregate principal amount  
30 of bonds that may be outstanding at any one time pursuant to this  
31 part shall be additionally increased by one billion four hundred  
32 million dollars (\$1,400,000,000), exclusive of: (1) bonds  
33 previously authorized pursuant to any of subdivisions (c) to (j),  
34 inclusive, and (2) the principal indebtedness of bonds issued to  
35 refund or renew bonds of the agency previously issued under the  
36 authority of this subdivision, but only to the extent of the  
37 outstanding principal indebtedness of the previously issued bonds  
38 and any redemption premium thereon and any interest accrued or  
39 to accrue to the date of the redemption of the bonds, during the

1 period in which both the previously issued bonds and the  
2 refunding or renewal bonds are outstanding.

3 (l) Effective January 1, 2000, the aggregate principal amount  
4 of bonds that may be outstanding at any one time pursuant to this  
5 part shall be additionally increased by two billion two hundred  
6 million dollars (\$2,200,000,000), exclusive of: (1) bonds  
7 previously authorized pursuant to any of subdivisions (c) to (k),  
8 inclusive, and (2) the principal indebtedness of bonds issued to  
9 refund or renew bonds of the agency previously issued under the  
10 authority of this subdivision, but only to the extent of the  
11 outstanding principal indebtedness of the previously issued bonds  
12 and any redemption premium thereon and any interest accrued or  
13 to accrue to the date of the redemption of the bonds, during the  
14 period in which both the previously issued bonds and the  
15 refunding or renewal bonds are outstanding.

16 (m) Effective January 1, 2002, the aggregate principal amount  
17 of bonds that may be outstanding at any one time pursuant to this  
18 part shall be increased by two billion two hundred million dollars  
19 (\$2,200,000,000), exclusive of (1) bonds previously authorized  
20 pursuant to any of subdivisions (c) to (l), inclusive, and (2) the  
21 principal indebtedness of bonds issued to refund or renew bonds  
22 of the agency previously issued under the authority of this  
23 subdivision, but only to the extent of the outstanding principal  
24 indebtedness of the previously issued bonds and any redemption  
25 premium thereon and any interest accrued or to accrue to the date  
26 of the redemption of the bonds, during the period in which both  
27 the previously issued bonds and the refunding or renewal bonds  
28 are outstanding.